

FIGURES | CLEVELAND INDUSTRIAL | Q4 2025

Rising vacancy creates new tenant opportunities

▲ 4.0%
Vacancy Rate

▲ (194,196)
SF Net Absorption

▲ 810,000
SF Construction Delivered

▼ 0
SF Under Construction

▲ \$5.52
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

Overall leasing activity this quarter hit 1.1 million square feet (sq. ft.), up 7.8% quarter-over-quarter.

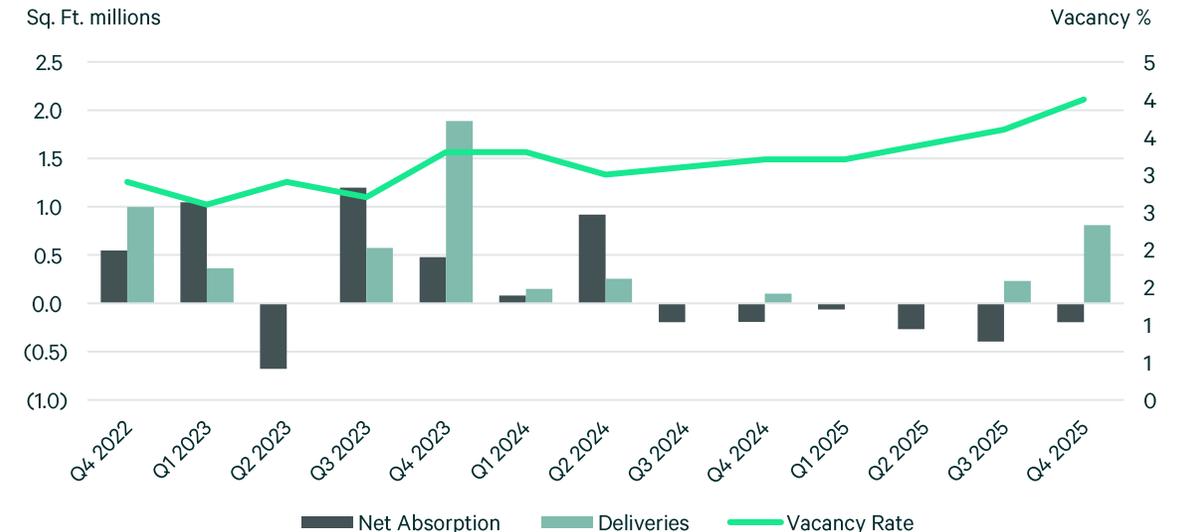
The Cleveland Industrial market reported the highest level of completions since Q4 2023 with 810,000 sq. ft. delivered, including HC Companies 750,000 sq. ft. build-to-suit at 15150 Madison Road in Middlefield.

Sizeable deals drove activity, including ThyssenKrupp US's 169,800 sq. ft. new lease at 1400 Lowell Street in the Northwest submarket and a new lease of 130,527 sq. ft. By Hiab USA at 675 Mondial Parkway in the Southeast submarket.

Vacancy and availability continued to rise, reaching 4.0% and 6.1% respectively, signaling a shift from scarcity to more balanced availability.

Average asking rents continued to rise, increasing \$0.04 per sq. ft. to \$5.52 per sq. ft.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

Availability Rate

In Q4 2025 the Cleveland Industrial market reported a total availability rate of 6.1%, up 40 bps quarter-over-quarter and up 120 bps year-over-year. Availability has been gradually increasing, allowing a shift in the market after years of tightened conditions to create more opportunities tenants.

Direct availability increased 30 bps quarter-over-quarter to 5.8% as several sizable new listings entering the market including 136,966 sq. ft. at 2477 Edison Boulevard in the Southeast submarket and 105,600 sq. ft. at 18901 Snow Road in the Southwest submarket. Sublease availability remained minimal, only increasing 10 bps quarter-over-quarter to 0.3%, signaling continued tenant commitment to the Cleveland market.

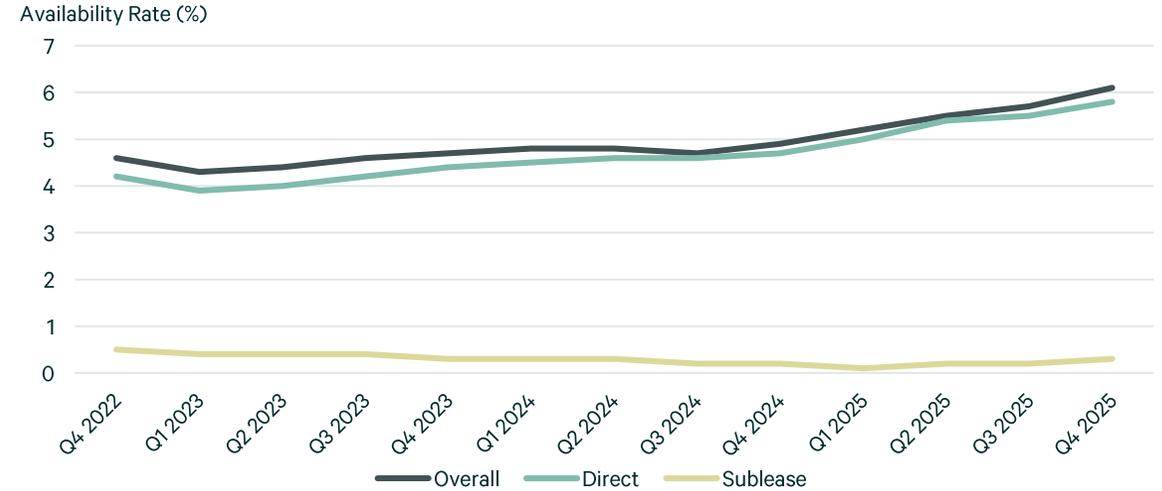
Asking Rent

Average asking rents continued to modestly climb reaching \$5.52 per sq. ft. as increased quality space enters the market.

R&D/flex space continued to hold the highest asking rate at \$8.53 per sq. ft., up \$0.12 per sq. ft. quarter-over-quarter. Distribution and Manufacturing space both reported \$0.04 per sq. ft. increases quarter-over-quarter, rising to \$5.62 per sq. ft. and \$5.00 per sq. ft. respectively.

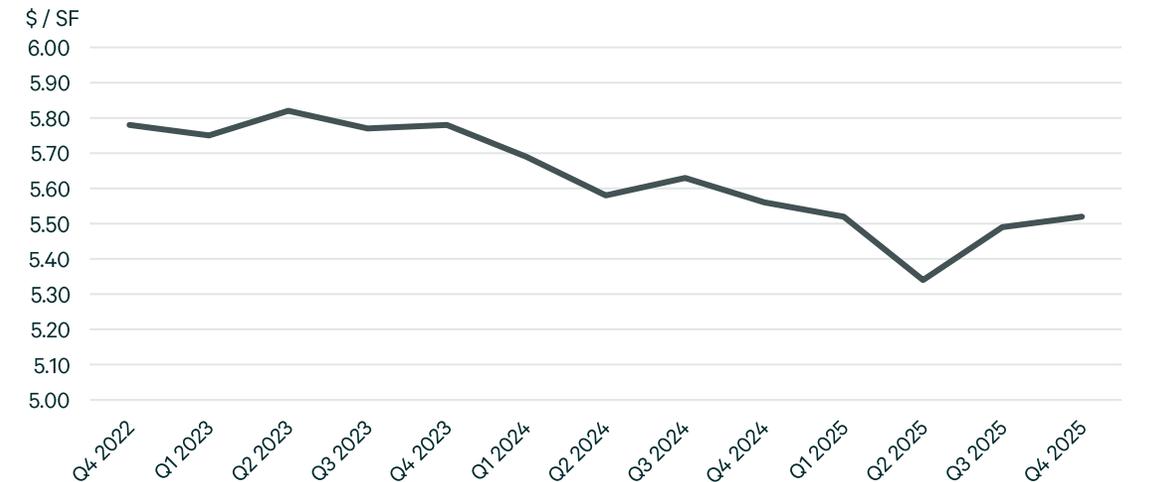
The East submarket had the highest rent increase, elevating to \$8.82 per sq. ft. from \$8.31 in the previous quarter. Northern submarkets also recorded significant increases, with the Northeast up \$0.18 per sq. ft. quarter-over-quarter and the Northwest up \$0.11 per sq. ft. quarter-over-quarter.

FIGURE 2: Availability Rates



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q4 2025

Net Absorption

The Cleveland Industrial Market posted 194,169 sq. ft. of negative net absorption in Q4 2025. After several quarters of negative activity and tight market conditions, increased leasing activity and rising availability begin to loosen the market for future growth.

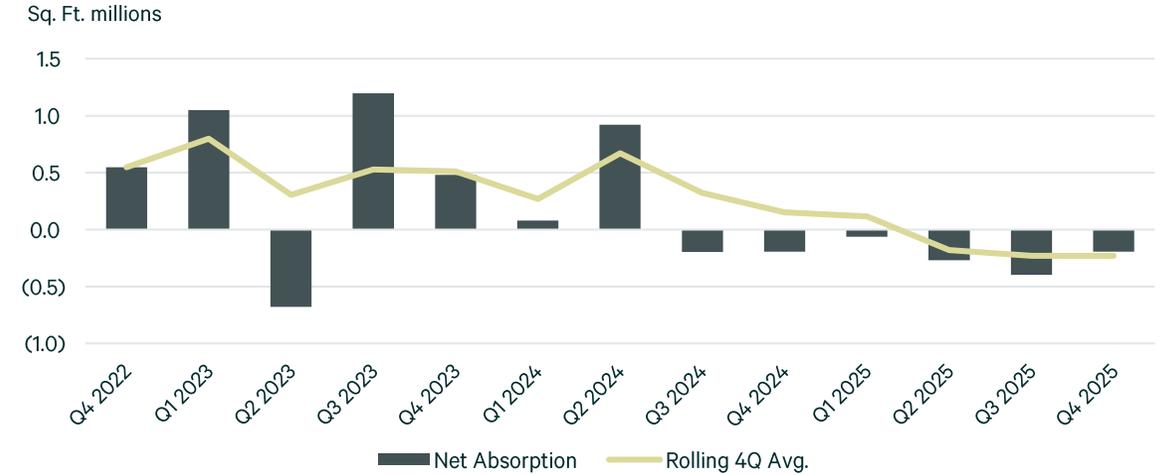
While most of the negative activity was made up of several smaller vacancies, HC Companies' move out of 604,600 sq. ft. at 1400 Lowell Street in the Northwest submarket kept absorption negative.

Several key occupancies held absorption to a modest level, including Hiab Usa's new lease of 130,257 sq. ft. at 675 Mondial Parkway in the Southeast submarket and Clecorr Packaging Inc's new lease of 57,045 at 52 Harvard Avenue in the South submarket.

Construction Activity

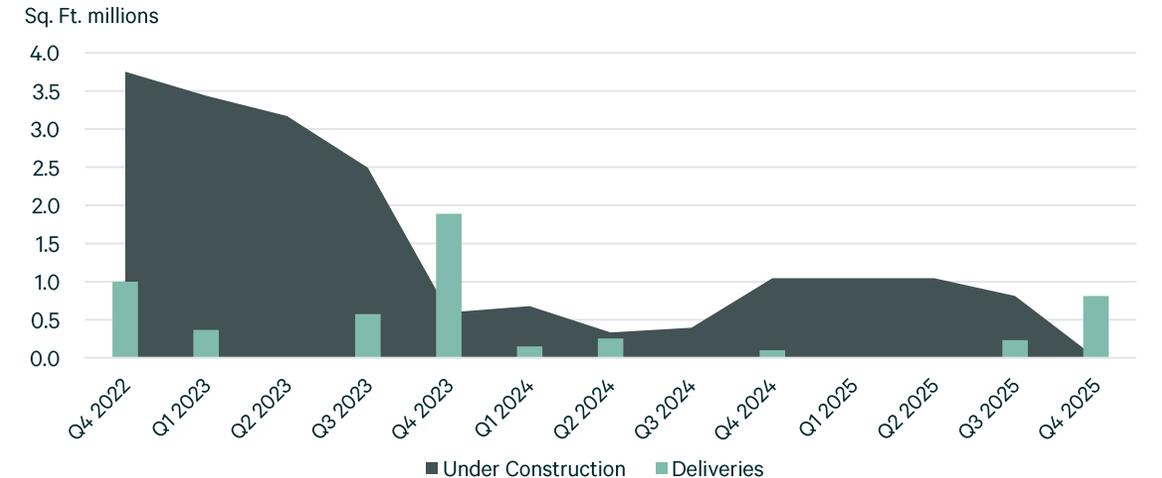
The Cleveland Industrial market reported the highest level of completions since Q4 2023 with 810,000 sq. ft. delivered, up 233,000 sq. ft from the previous quarter. Completed projects included HC Companies 750,000 sq. ft. build-to-suite at 15150 Madison Road in Middlefield and a 60,000 sq. ft. speculative building at 31353 Industrial Parkway. Although no new projects broke ground this quarter, several planned projects are expected to enter the pipeline in the upcoming year.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity



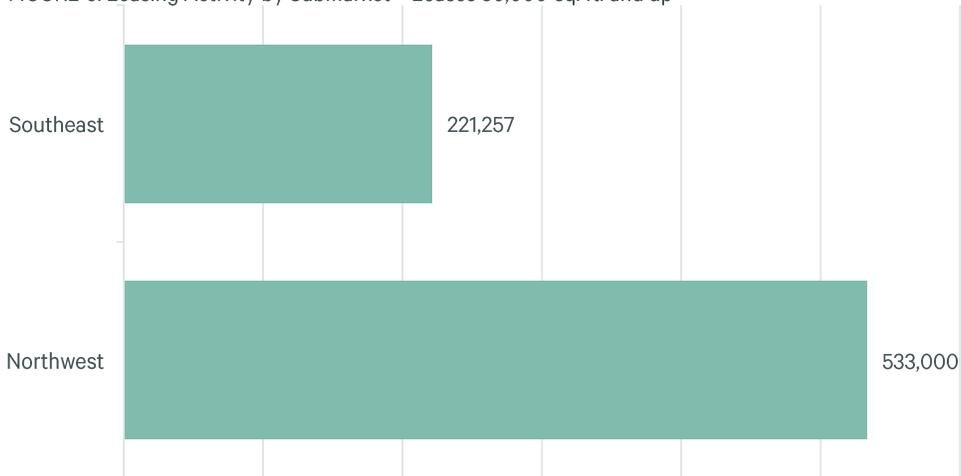
Source: CBRE Research, Q4 2025

Transaction Activity

The Cleveland Industrial market recorded 1.1 million sq. ft. of total transaction volume during the fourth quarter of the year, up 7.8% quarter-over-quarter. New leases continue to dominate activity, accounting for 91.2% of all deals, including sizeable deals such as ThyssenKrupp US for 169,800 sq. ft. at 1400 Lowell Street in the Northwest submarket and Hiab USA for 130,257 sq. ft. at 675 Mondial Parkway in the Southeast submarket. Plastics Express drove activity with the quarter's largest deal, renewing 302,000 sq. ft. at 1400 Lowell Street. Although renewal activity remained minimal, only making up 8.8% of total transaction volume, large renewals continued to reflect tenant commitment and stability across the market. Sales also made-up significant activity this quarter, including North Point's acquisition of 409,495 sq. ft. at 1220 Chillicothe Road, ICP's acquisition of 408,251 sq. ft. at 26025 First Street, and Connexus Food's purchase of 100,000 sq. ft. at 6575 Davis Industrial Parkway.

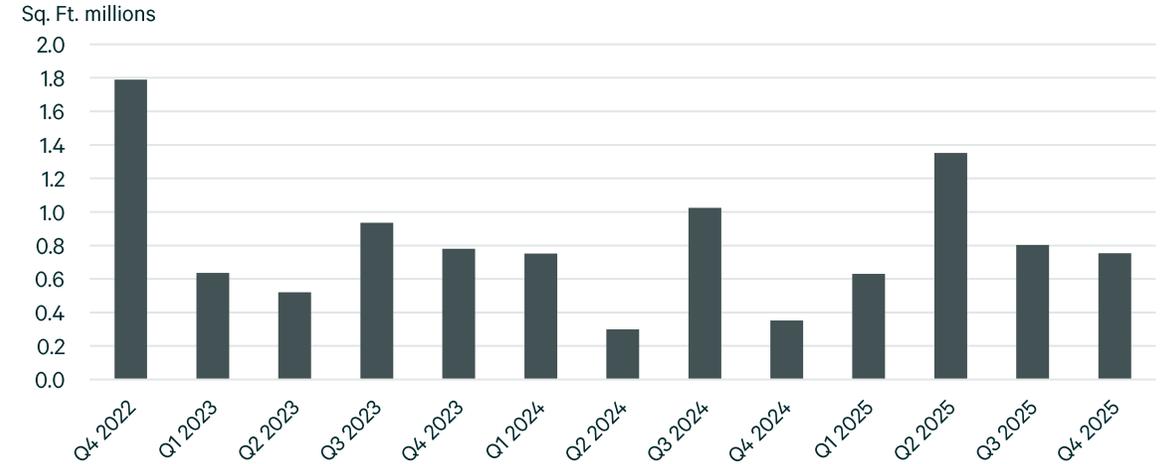
53.2% of leasing activity occurred in the Northwest submarket, while 23.2% occurred in the Southeast submarket. The southern submarkets have continued to record higher activity as they provide easy access to major transportation routes and large labor pools. However, as new availabilities enter the Northwest submarket, leasing activity will continue to increase as tenants compete for quality space.

FIGURE 6: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

| Tenant/Buyer | Sq. Ft. Leased | Transaction Type | Address | Submarket |
|---------------------|----------------|------------------|----------------------------|-----------|
| North Point | 400,000 | Sale | 1220 Chillicothe Rd | Southeast |
| ICP | 408,251 | Sale | 26025 First St | Northwest |
| Plastics Express | 302,000 | Renewal | 1400 Lowell St | Northwest |
| ThyssenKrupp USA | 169,800 | New Lease | 1400 Lowell St | Northwest |
| Hiab USA | 130,257 | New Lease | 675 Mondial Pkwy | Southeast |
| Connexus Foods | 100,000 | User Sale | 6575 Davis Industrial Pkwy | Southeast |
| Premier Home Pros | 49,343 | New Lease | 3048 Nationwide Pkwy | Southwest |
| AFA Systems | 30,750 | New Lease | 17909 Cleveland Pkwy | Southwest |
| Quality Compounding | 24,000 | New Lease | 1400 Lowell St | Northwest |
| Midwest Group | 22,560 | New Lease | 799 E 73rd St | Downtown |

Source: CBRE Research, Q4 2025

Market Statistics by Size

| | Net Rentable Area | Total Vacancy | Total Availability | Direct Availability | Sublease Availability | Avg. Direct Asking Rate (NNN/YR) | Current Quarter Net Absorption | YTD Net Absorption | Deliveries | Under Construction |
|-------------------------|--------------------|---------------|--------------------|---------------------|-----------------------|----------------------------------|--------------------------------|--------------------|----------------|--------------------|
| Under 100,000 sq. ft. | 82,787,602 | 3.5 | 4.6 | 4.2 | 0.4 | 6.47 | (229,581) | (665,536) | 60,000 | 0 |
| 100,000-199,999 sq. ft. | 53,875,663 | 2.3 | 5.7 | 5.7 | 0.0 | 5.75 | 15,488 | (227,537) | 0 | 0 |
| 200,000-299,999 sq. ft. | 27,181,005 | 3.8 | 6.0 | 5.8 | 0.2 | 5.06 | (48,639) | 389,519 | 0 | 0 |
| 300,000-499,999 sq. ft. | 29,727,556 | 6.6 | 9.0 | 8.3 | 0.7 | 4.99 | (21,564) | (312,234) | 0 | 0 |
| 500,000-749,999 sq. ft. | 15,031,789 | 6.9 | 8.0 | 8.0 | 0.0 | 4.62 | (5,600) | (127,300) | 0 | 0 |
| 750,000 sq. ft. | 38,997,002 | 4.7 | 6.8 | 6.7 | 0.1 | 5.00 | 95,700 | 20,702 | 750,000 | 0 |
| Total | 247,600,617 | 4.0 | 6.1 | 5.8 | 0.3 | 5.52 | (194,196) | (922,386) | 810,000 | 0 |

Market Statistics by Product Type

| | Net Rentable Area | Total Vacancy | Total Availability | Direct Availability | Sublease Availability | Avg. Direct Asking Rate (NNN/YR) | Current Quarter Net Absorption | YTD Net Absorption | Deliveries | Under Construction |
|--------------------------|--------------------|---------------|--------------------|---------------------|-----------------------|----------------------------------|--------------------------------|--------------------|----------------|--------------------|
| Distribution / Logistics | 125,855,955 | 5.4 | 8.1 | 7.6 | 0.4 | 5.62 | 443,887 | 2,394 | 810,000 | 0 |
| Manufacturing | 100,998,266 | 2.6 | 4.2 | 4.1 | 0.1 | 5.00 | (658,364) | (843,725) | 0 | 0 |
| R&D / Flex | 15,653,423 | 3.0 | 3.7 | 3.6 | 0.1 | 8.53 | 18,931 | (88,906) | 0 | 0 |
| Other Industrial | 5,092,973 | 0.4 | 1.5 | 1.5 | 0.0 | 6.04 | 1,350 | 7,851 | 0 | 0 |
| Total | 247,600,617 | 4.0 | 6.1 | 5.8 | 0.3 | 5.52 | (194,196) | (922,386) | 810,000 | 0 |

Market Statistics by Submarket

| | Net Rentable Area | Total Vacancy | Total Availability | Direct Availability | Sublease Availability | Avg. Direct Asking Rate (NNN/YR) | Current Quarter Net Absorption | YTD Net Absorption | Deliveries | Under Construction |
|------------------|-------------------|---------------|--------------------|---------------------|-----------------------|----------------------------------|--------------------------------|--------------------|------------|--------------------|
| Downtown | 37,879,136 | 3.7 | 4.3 | 4.3 | 0.0 | 5.13 | (39,751) | (198,443) | 0 | 0 |
| East | 5,840,223 | 1.1 | 1.6 | 1.6 | 0.0 | 8.82 | 9,262 | 12,426 | 0 | 0 |
| Geauga West | 1,456,727 | 3.0 | 7.3 | 7.3 | 0.0 | 4.87 | (36,475) | (37,825) | 0 | 0 |
| Lake County West | 20,567,356 | 2.8 | 4.6 | 4.5 | 0.1 | 5.58 | (33,135) | (23,726) | 0 | 0 |
| Northeast | 24,846,472 | 2.5 | 5.4 | 5.4 | 0.0 | 4.17 | (71,037) | (140,779) | 0 | 0 |
| Northwest | 28,956,588 | 4.7 | 7.0 | 6.8 | 0.2 | 5.17 | (664,989) | (739,915) | 0 | 0 |
| Out of Submarket | 2,900,092 | 40.1 | 21.7 | 21.1 | 0.6 | | 750,000 | 983,002 | 750,000 | 0 |
| South | 31,219,594 | 3.5 | 6.1 | 5.6 | 0.5 | 5.79 | 55,871 | (62,786) | 0 | 0 |
| Southeast | 52,429,915 | 4.9 | 7.6 | 7.0 | 0.6 | 5.79 | (30,941) | (513,355) | 0 | 0 |
| Southwest | 41,504,514 | 2.4 | 5.8 | 5.5 | 0.3 | 6.12 | (133,001) | (200,985) | 60,000 | 0 |
| Total | 247,600,617 | 4.0 | 6.1 | 5.8 | 0.3 | 5.52 | (194,196) | (922,386) | 810,000 | 0 |

National Economic Outlook

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

Source: CBRE Research

Cleveland, OH Employment Update

- ▼ **3.3%**
Unemployment Rate
- ▼ **1.1M**
Labor Force
- ▼ **615.3k**
Office Using Jobs
- ▼ **345.2k**
Industrial Using Jobs
- ▼ **246.7k**
Retail Using Jobs

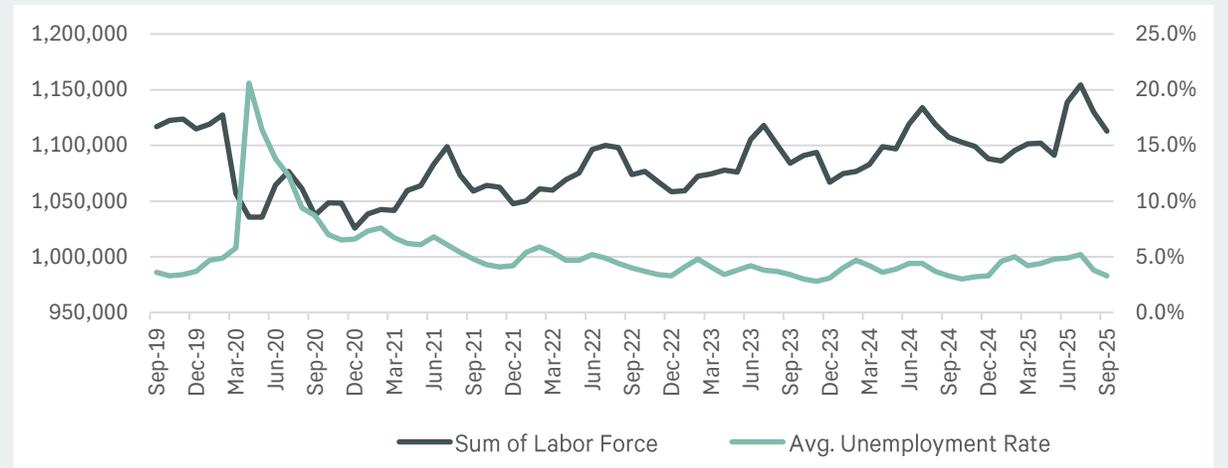
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

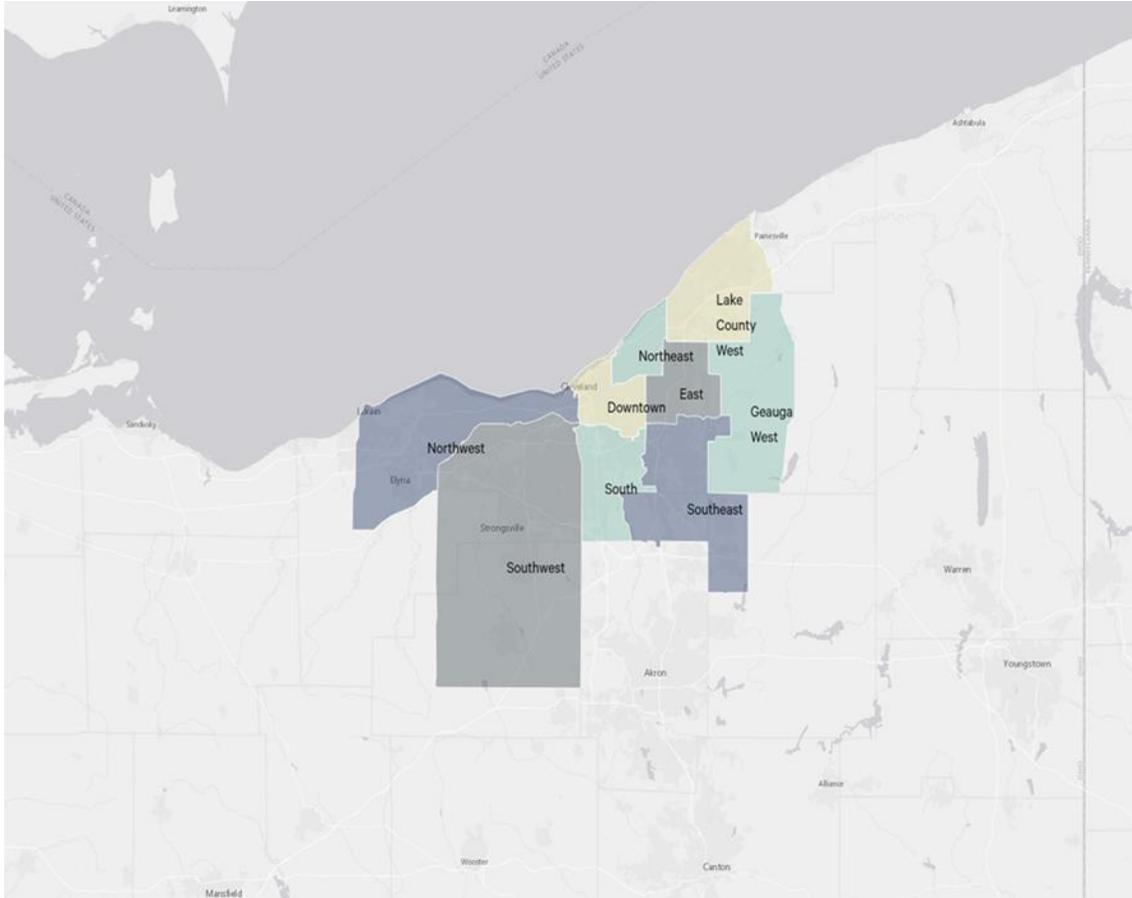
Source: US BLS, September 2025

Cleveland, OH Unemployment Rate and Labor Force Trends



Source: US BLS, September 2025

Market Area Overview



Definitions

- Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant.
- Availability Rate: Total Available Sq. Ft. divided by the total building Area.
- Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage.
- Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building.
- Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions.
- Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance.
- Net Absorption: The change in Occupied Sq. Ft. from one period to the next.
- Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.
- Occupied Sq. Ft.: Building Area not considered vacant.
- Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area.
- Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings 30,000 sq. ft. or greater in size. CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds.

Contacts

Faith Engle

Field Research Analyst
 +1 614 373 3218
faith.engle@cbre.com

Matt Patti

Field Research Analyst
 +1 614 224 1492
matt.patti@cbre.com

Lauren Tilmont

Research Manager
 +1 312 416 3058
lauren.tilmont@cbre.com

Andrew Coleman

Managing Director
 +1 216 406 3459
andrew.coleman@cbre.com

